



# NEW ERA AGRICULTURE MAGAZINE

## Agri-Clinics and Agri-Business Centers: A Unique Initiative for Agricultural Graduates for Provision of Paid Extension Advisory Services

Neha Kumari<sup>1</sup> and Meenakshi Saxena<sup>2</sup>

### ABSTRACT

An attempt to bridge the two ends of broad spectrum of agricultural development was made by the Ministry of Agriculture by providing paid extension advisory services to maximum number of farmers across India by specially trained agricultural graduates. This new scheme 'Agri-clinic and Agribusiness Centers (AC&ABC scheme) was launched in 2002. After ten years this innovative scheme has made adequate progress to justify the huge efforts of all the government organisations involved, Ministry of Agriculture and Farmers' Welfare, MANAGE, NABARD, many nodal training institutes, trainers, trainee graduates of agriculture and the beneficiary farmers. An attempt is made in this paper to discuss the details of the scheme, its achievements and progress.

**Keywords:** ACABC Scheme, Agri-Clinics, Agri-Business Centers, MANAGE

### Introduction:

Agri-clinics and agribusiness centers are private service agencies managed by trained agricultural graduates for providing paid extension advisory services to farmers. They are established by young graduates with collaborative efforts of many government agencies, for the welfare of farming community. These have been an outcome of a new credit-linked scheme of government for young agricultural graduates for the welfare of farmers.

### Need and justification of a new scheme

It is generally argued that agricultural graduates are not adequately capable of starting their own private practice and provide

extension services to farmers. The usual comparison is made with medical graduates who usually start their own clinics and provide paid health care services to people. This idea of encouraging agricultural graduates start their own agri-clinics appeared good but it needs both technical and financial support to enable agricultural graduates to start their own private practice. Our intellectuals, policy makers and bureaucrats and think-tank put their heads together and listed out the challenges and opportunities of putting such an idea into action and chalked out a new scheme.

### Agriculture is age old profession

On one hand, agriculture is a private individual enterprise practiced by individual

*Neha Kumari<sup>1</sup> and Meenakshi Saxena<sup>2</sup>*

<sup>1</sup>Ph.D. Scholar, Department of Extension Education, Bihar Agricultural University, Sabour, Bihar.

<sup>2</sup>SMS (Home Science), Krishi Vigyan Kendra, Kaushambi, Uttar Pradesh

farm households with many constraints of low capital, resource crunch and risks and uncertainties of weather and market forces. Yet they need information, knowledge, and skills of better farming methods for higher crop and farm production. There is a huge demand from farming community for extension advisory services.

### **Large pool of agricultural graduates**

On the other hand, there is large pool of agricultural graduates, who are unemployed and seeking jobs in public and private sectors. India has strong academic centers that have been built up for imparting education in eleven disciplines related to agriculture at undergraduate level *viz.* agriculture, veterinary science, horticulture, sericulture, forestry, fisheries, dairy technology, agricultural engineering, agricultural marketing, food technology and home science. Annually huge number of students are admitted at undergraduate level in State Agriculture Universities (SAU's) and affiliated private agricultural colleges across the country. So, a large number of agricultural graduates turn-out of agricultural colleges.

But, only a low percentage of such graduates can be absorbed in employment avenues in the agriculture related jobs in both public / private sectors. It was felt that fresh agricultural graduates and other graduates, who are already working in private sector,

might prefer to make it their profession to provide paid services to the farmers, if they get technical and financial support to launch agriculture related ventures.

### **Gap in provision of agro-advisory services**

From another point of view, a need was felt for supplementing the efforts of government extension system to accelerate the process of technology transfer in agriculture. Apart from extension support, the farmers are also in need of supplementary sources of input supply and services for which, by and large, they presently depend upon public sector agencies and are getting less than satisfactory services. This gap can easily be filled by trained agricultural graduates. There is a large reservoir of graduates in agricultural sector which needs to be tapped for providing support services to farmers supplementing the efforts of Government and public sector agencies, and filling critical gaps therein.

Based on the above mentioned contentions or assertions and assumptions, a strong need was felt and inception of a new scheme was justified to supplement public extension agencies and create a private extension service through fresh trained agricultural graduates to serve and cater to the needs of farming community.

### **Origin of AC & ABC scheme**

Government of India constituted a steering committee on agriculture and allied

sectors under the chairmanship of Prof. M.S. Swaminathan. The committee suggested creation of agri-clinics and agri-business centers managed by agricultural graduates so as to provide consultancy services to the farming community in rural areas (Karjagi, *et al.*, 2006). The Committee argued that in India, there is need for revitalization of extension system in the country to address critical issues of transfer of technology to farmers, providing value added extension services to the farmers through additional qualified man power and adequate infrastructure (Shekara *et al.*, 2011). Parimaladevi *et al.*, (2006) reported that trained agricultural graduates have positive and favorable attitude towards self-employment and to starting of agribusiness / agri-venture in rural areas.

Thus, the ACABC program evolved from the perceived need of farmers for locally available, reliable, effective, and knowledgeable third-party advice (Planning Commission, 2006).

The title of the scheme is 'Establishment of a network of Agri Clinics and Agri Business Centers by agriculture graduates in the service of farmers'. The scheme was launched by Government of India on 9<sup>th</sup> April, 2002 to supplement the efforts of extension services in the country with the objective of providing extension services to farmers on payment basis, supplementing

agriculture development and entrepreneurship; and promoting self-employment in agriculture sector. The scheme is open to agriculture graduates for starting agriventures in horticulture, animal husbandry, dairy, veterinary, poultry farming, aquaculture, agro-forestry and other farm and non-farm enterprises.

#### **Main objectives of ACABC scheme**

- To provide consultation and other services to farmers, either on payment basis or free of cost, depending on the business model of the agri-entrepreneur, local needs, and affordability of the target farmers.
- To support agricultural development, the government is providing financial assistance of Rs.20 lakhs for an individual project (Rs.25 lakhs in case of extremely successful individual projects) and (Rs.100 lakhs) for a group project.
- To create employment opportunities for unemployed agriculture graduates, the Government is providing professional training of 45 days that is offered free of charge and is offered nationwide by selected institutions.

The National Institute of Agricultural Extension Management (MANAGE), an apex level institute of Ministry of Agriculture and Farmers' Welfare, Government of India is the overall implementing agency for training

component and imparting two months training to the agriculture graduates through selected Nodal Training Institutes (NTIs) across the country. National Bank for Agriculture and Rural Development (NABARD) is the Nodal Institution which is responsible for monitoring the credit support to Agri Clinics through commercial banks and is also responsible for extending refinance support to the banks under the scheme.

**Agri-Clinics:** Agri-Clinics are envisaged to provide expert advice and services to farmers on various technologies including soil health, cropping practices, plant protection, crop insurance, post-harvest technology and clinical services for animals, feed and fodder management, prices of various crops in the market, etc., which would enhance productivity of crops/animals and ensure increased income to farmers. (GoI, 2018).

**Agri-Business Centres:** Agri-Business Centres are commercial units of agriventures established by trained agriculture professionals. Such ventures may include maintenance and custom hiring of farm equipment, sale of inputs and other services in agriculture and allied areas, including post-harvest management and market linkages for income generation and entrepreneurship development. (GoI, 2018).

### Operation of scheme:

Standard Operational Procedures (SOP) have been developed to maintain order and uniformity of operation of the Scheme. The following guidelines were evolved.

- i. MANAGE selects and appoints Nodal Training Institutes (NTIs) based on criteria for conducting the trainings for agricultural graduates and execution / implementation of the scheme.
- ii. Any unemployed graduate (age is no bar) in agriculture and allied areas is eligible to apply. Only selected candidates are provided two months training free of cost keeping in view the agribusiness aspects, market survey in nodal training institutes (NTIs) located in respective states. The NTIs also facilitate the trained graduates in preparation of a project proposal of the agri enterprise they intend to take up.
- iii. Interested candidates desirous of undergoing training may apply giving name, date of birth, sex, educational qualification, permanent address (Village / Town / Block / District / State with pin code number, telephone & email address, if any, address for communication along with bank demand draft. for an amount of money as non-refundable application fee drawn in favor of MANAGE payable at Hyderabad, enclosing passport size photograph and an attested copy of degree certificate to MANAGE or any recognized

training institute under Agri Clinics and iv. Agri Business Centers scheme in respective states. Trained agricultural graduates can avail start up loan for total project cost from banks.

The NTIs used to provide with the handholding support for assisting the trained agriculture graduates up-to one year in getting the loan sanctioned from commercial banks and execution of the

**Table 1: List of eligible projects under ACABCs scheme**

No.	Eligible Projects / Agri-ventures
1.	Soil, water quality and inputs testing laboratory service center
2.	Plant protection service centre (Pest surveillance, diagnostic and control services including Integrated Pest Management)
3.	Maintenance, repairs and custom hiring of agricultural implements and machinery including micro irrigation systems (sprinkler and drip)
4.	Agriculture service centre includes at least the above three activities (Group of Activities)
5.	Seed processing unit
6.	Micro-propagation through plant tissue culture labs and hardening unit
7.	Setting up of vermiculture unit, production of Bio-fertilizers, Bio-pesticides, and Bio-control agents.
8.	Setting up of Apiaries (Bee-keeping) and Honey & Honey products' processing ventures
9.	Provision of extension consultancy services
10.	Facilitation and agency of agriculture insurance services
11.	Hatcheries and production of fish finger-lings for aquaculture
12.	Provision of livestock health cover, setting up Veterinary dispensaries & services including frozen semen banks and liquid nitrogen supply
13.	Setting up of information technology kiosks in rural areas for access to various agriculture related portals
14.	Feed processing testing unit
15.	Value addition centers
16.	Setting up of cool chain from the farm level onwards (Group activity)
17.	Post harvest management centers for sorting, grading, standardization storage and packing
18.	Setting up of Metallic/Non Metallic storage structure and rural godowns
19.	Retail marketing outlets for processed agri-products
20.	Rural marketing dealerships of farm inputs and outputs

project / agri-venture. The list of eligible projects under ACABCs scheme is given in Table 1 below. The above list may not be exhaustive and any new promising enterprise idea may be considered for approval and financial support.

### **Training cost, subsidy and project cost ceiling (The funds are liable for revision)**

The total training cost (@ ₹ 22, 000/- per graduate includes food, lodging, and honorarium to trainers / resource person and handling charges @ ₹ 5, 000 /- per trainee. Besides, coordination charges of ₹ 2, 000/- and service charges of ₹ 750/- per trainee are also provided to MANAGE.

The subsidy would be admissible only in respect of agricultural graduates trained under the ACABC scheme. Delivery of extension services shall be the main component of ACABC projects, availing the benefit of subsidy under the scheme.

Assistance under the scheme would be purely credit linked and subject to sanction of the project by commercial / cooperative / Regional Rural banks based on economic viability and commercial considerations. The repayment period depends on the nature of activity and varies between five and ten years. The repayment period may include a maximum grace period of 2 years.

Rate of interest on term loan used to be as per Reserve Bank of India (RBI) guidelines

and declared policy of the bank in this regard. In case of loans up to ₹ 5 lakh no margin money is required as per present norms. The margin money to be contributed by the general category entrepreneur used to as per prevailing norms. However, concession is provided in respect of SCs/STs, women and beneficiaries of north eastern states and hill areas.

The security for availing the loan used to be as per the guidelines issued by RBI from time to time. The time limit for the completion of the project used to be as envisaged under the project, subject to a maximum of 6 months' period from the date of disbursement of the first installment of the loan which may be extended for a further period of 6 months.

The credit linked subsidy @ 25% of the capital cost of the project funded through bank loan is eligible under the scheme. This subsidy is 33.33% in respect of candidates belong to SC/ST, women and other disadvantaged section and those from North-Eastern and hill areas. The interest subsidy is also provided for first two years of the project which is concurrent in nature. The subsidy is not admissible under this scheme, if subsidy of any other scheme of Central / State Government is availed. The benefit of subsidy is extended only once and the capital subsidy is back-ended with minimum three years lock in period.

**Table 2: Progress of Ac & ABC Scheme (01-04-2002 to 18-11-2022) (Source: MANAGE)**

S.No	Name of the State	No. of Candidates Trained	No. of Agri-ventures established	Percent of of Agripreneurs to Tainees
1	Maharashtra	21,823	11,209	51.36
2	Uttar Pradesh	18,196	8,763	48.16
3	Tamil Nadu	8,865	4,447	50.16
4	Madhya Pradesh	4,881	2,175	44.56
5	Rajasthan	4,550	1,867	41.03
6	Karnataka	4,381	1,781	40.65
7	Bihar	4,333	1,544	35.63
8	Gujarat	2,222	875	39.38
9	Telangana	2,194	608	27.71
10	Andhra Pradesh	1,625	480	29.54
11	Jammu and Kashmir	1,523	191	12.54
12	West Bengal	1,216	298	24.51
13	Chhattisgarh	987	384	38.91
14	Assam	844	255	30.21
15	Jharkhand	782	198	25.32
16	Haryana	737	240	32.56
17	Punjab	668	224	33.53
18	Orissa	643	116	18.04
19	Uttaranchal	555	175	31.53
20	Manipur	505	135	26.73
21	Himachal Pradesh	429	111	25.87
22	Kerala	273	58	21.25
23	Nagaland	187	22	11.76
24	Pondicherry	145	85	58.62
25	Mizoram	52	0	0.00
26	Arunachal Pradesh	48	3	6.25
27	Delhi	42	6	14.29
28	Meghalaya	37	3	8.11
29	Goa	14	7	50.00
30	Sikkim	9	1	11.11
31	Tripura	6	2	33.33
32	Chandigarh	4	2	50.00
	<b>TOTAL</b>	<b>82,776</b>	<b>36,265</b>	<b>43.81</b>

The project cost ceiling for an individual project is ₹ 10.00 lakh. The trained graduates may also undertake a group project. If the group consists of five or more trained graduates, one of them could be non-

agriculture graduates with experience in business development and management. The ceiling of project cost for the said group is ₹ 10.00 lakh per trained graduates, subject to an overall ceiling of ₹ 50.00 lakh. (MOA, 2010).

### Achievements and Progress

Progress of Agri-clinics and Agribusiness Centres Scheme (01-04-2002 to 18-11-2022) is presented in Table 2 below. The results in the table represents the number of beneficiaries benefitting from the scheme state-wise. The total number of candidates trained is 82,776, and the number of agriventures established is 36,265. Maharashtra ranked at the top in terms of trained candidates and number of ventures established with 21,823 and 11,209 respectively. Uttar Pradesh was in the second position with 18,196 trained candidates and 8,763 ventures established.

The main aim of the ambitious “Agri Clinics and Agri Business Centers scheme” is to provide accountable extension services to farmers through technically trained agricultural graduates at the village level. The scheme has accepted the challenge of changing the attitude of agricultural graduates from being job seekers/consumers to job providers. To the spirit of entrepreneurship and confidence is challenging task and hence proper training of the agricultural graduate’s plays vital role in the success of the scheme.

Moreover, in this world of globalization and liberalization the transformation of agriculture from subsistence to commercial is the need of the hour. It is believed to help farmers to improve their farm

income and gain them better position in the society, since agripreneurs stay in villages and are available to farmers for all twenty-four hours providing specialized extension services. These centers are thus supposed to bring in both social and economic transformation in the country.

### Conclusion

It is expected that the scheme for setting up of Agri Clinics and Agri Business Centers will strengthen transfer to technology and extension services. The starting of Agri Clinics and Agri Business Centers in the country to serve the farmers is a welcome step not only to strengthen the support and extension services in agriculture, but also to solve the unemployment of agricultural graduates. The scheme on ACABCs funded by NABARD and monitored by MANAGE has been well received by both unemployed agricultural graduates as well as the farming community across the country.

### References

1. Government of India (2018) Revised Guidelines of Agri-Clinics and Agri-Business Centers (ACABC) Scheme-2018, MANAGE, Hyderabad.
2. Karjagi, R., Khan, H. S. S., and Vijaykumar, H. S. (2006). “Performance of agriclinics and agribusiness centres scheme in south India.” *Ph.D. Thesis*, University of

Agricultural Sciences, Dharwad,  
Bangalore.

3. MANAGE (2013). Database available at Agriclincs and Agribusiness Centres Cell, MANAGE, Hyderabad, retrieved from <http://www.agriclinics.net>.
4. NABARD (2010). "Evaluation study of agri-clinics and agri-business centres (ACABC) in Himachal Pradesh." Evaluation Study Series Himachal Pradesh, RO NO.5, Shimla.
5. Parimaladevi, S., Husain, A.S., and Bhaskaran, S. (2006). "Determinants of the Effectiveness of Agriclincs and Agribusiness Centres Scheme in Kerala. *Journal of Tropical Agriculture*, 44 (1-2)", 91-93.
6. Planning Commission, India (2006). "Approach Paper to the Tenth Five Year Plan (2002-2007)." *Yojana Bhavan*, New Delhi.
7. Shekara, P.C., Malik, H. A., and Jan, N. (2011). "Gender Empowerment through Agri-clinics and Agri-business Centers." *Research Journal of Agricultural Sciences*, 2(1), 170-173.